



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

ment in the world today, it is utterly impossible to rely on the mysterious wisdom of the people. And any statesman who pretends that he does rely on it, or can, is trifling with questions of life and death.

For since knowledge of these intricate and far-reaching matters cannot be obtained by consulting your conscience or your sentiments about the bonus or the income tax, the only possible means by which democracy can act successfully in foreign affairs is access to the knowledge which the insiders possess, because the sources of information are in their hands. For the executive in any democratic country to keep his knowledge a secret, and then wait to act until public opinion approximates what he secretly believes, is absurd in theory and unworkable in practice. It ends in drift, factionalism and the deterioration of the standards of public life.

The problems of the modern world

are puzzling enough without complicating them still further by permitting our leaders to abdicate their leadership, because they might be attacked and lose votes. The best wisdom the insiders have may not be enough to save European civilization from an era of deep decay. But it would be intolerable to think that we had not prevented that decay because we declined to act according to such lights as we have. At least we might try, even at the risk of the next Congressional election, yes, even at the risk of defeating a few senators, to have our leaders speak their whole minds, and act on their own full judgment of what the situation requires.

It is this false obedience to an undirected and necessarily uninformed public opinion which, to my thinking, constitutes the greatest practical obstacle to any constructive relationship between the Old World and the New.

Russian Rehabilitation a Prerequisite to World Prosperity

By CAPTAIN PAXTON HIBBEN¹

Executive Secretary, American Committee for Relief of Russian Children, Formerly Secretary of the Near East Relief Commission

PLEASE consider me merely an eye-witness—an American eye-witness—who has observed conditions in Europe, and especially in Russia, today, and who can set before you no more than the reflections that might come to any of you after you had personally visited and studied the situation in Europe as it is now. It is well, I think, to have the authoritative statements of such distinguished gentlemen as Their Excellencies, Dr. Štěpánek and Signor Quattrone. They

give the point of view of their respective countries. But it is well too, I feel, to have the impressions of an American who has viewed the problems of Europe today with American eyes. It is that that I offer you—nothing more.

It has become a habit of late to assume that the return of peace to the world, in so far as that consummation devoutly to be desired depends upon some practical international financial settlement, is a question whose solution is impossible without the concurrence of the United States, and,

¹ Author of *Constantine I and the Greek People*.

indeed, without some very considerable concessions on the part of the United States in respect to the foreign debts due this country. This is, of course, true in a certain measure. But in its implications it is not universally true.

For the rôle played by Russia in the matter of any settlement of Europe's debts is far more vital than the rôle played by the United States. We in America are not, I take it, going to war to collect what is coming to us, nor is the theory tenable that certain nations, or combinations of nations, may find it good policy to go to war with us to wipe off their financial slates. With Russia, however, it is different. Nations have already made war upon Russia to collect what Russia is said to owe. The danger of a repetition of this international tactic is by no means conjured. I believe, and I believe that it may be proved, that France, for example, has effected a tentative partnership of nations with precisely this object in view, should occasion offer. The unsettled state of Russia's relation to the European debt situation offers, therefore, a possibility of war which is not characteristic of the relation of the United States to the European debt situation.

AMERICA'S PART IN THE DEBT COLLECTION

America's part in this drama is not so direct. It is, however, capital; for it is by America's attitude towards Russia that the extent of the danger of further war as a means of debt collection may be limited. In a word, if the United States were to participate, with other nations, in financial arrangements looking to the economic rehabilitation of Russia, and so of the remainder of Europe, the danger of war arising out of past Russian debts would in all likelihood be laid. If not, then war remains on the horizon as a

possible result of the European financial situation.

It is no good to say that world public opinion would not permit a new European war to collect debts. World public opinion did not halt the French adventure of General Baron Wrangel, nor has world public opinion restrained the French from vitiating the Treaty of Sevres by making nullifying arrangements with the Turkish Nationalists. If and when Roumania and Poland, for example, with French backing, become ready to move against Russia, world public opinion may be adverse, but it will not stop the move.

Only one thing can render such a contingency improbable, not by forbidding it, but by rendering it needless—American recognition of Russia to an extent which will permit of Russia's securing sufficient credit in this country or elsewhere to enable her to effect a real economic regeneration, and so furnish her creditors with ground for belief that some portions, at least, of the sums claimed by them may yet be paid. For what paralyzes economic regeneration in Europe is the knowledge (unadmitted but not the less real) that, try as they may, for the Germans or the Austrians or the Italians or the French, or, indeed, most of the European countries which were engaged in the late war, there is no possibility whatever of a financial return to normal through the use of the energy and the resources of the countries concerned, alone. It is a homely simile and one which may not be understood by many Academy readers, but the fact is that Europe today is like a poker game at three o'clock in the morning. The winners have taken their winnings and gone home. The kitty has absorbed the remaining cash. The only thing left to play for is the I. O. U. of the losers. Without new funds in the game it is dead. But

it is futile to say that under such circumstances the game will break up. No poker game in my experience ever did, and I doubt if this great international poker game will, either.

ECONOMIC POSSIBILITIES IN RUSSIAN RESOURCES

When in this simile I speak of new funds that must be brought into the game, I do not necessarily mean cash loans or even credits. I mean new resources, additional labor, the material of reconstruction, in short. Now the obvious country in position to furnish these things to Europe is, of course, Russia. With the materials of reborn industry rendered available from Russia, there is hope that the European debt situation may find solution. But, unhappily, the raw materials of Russia are like ore in a mine. Their value is undoubted. The good that they will do towards the rehabilitation of Europe is not questioned. But there must be an investment of capital in some sort of mining machinery to get at this ore. There must be an investment of capital in the tools of industry, of agriculture and above all of transportation, before the ore of Russia's national wealth can be made available for the factories and the workshops of western Europe, and the immense market of one hundred and forty million people, lacking every necessity and luxury of life, opened to the trade of the world. And it is precisely because Europe has not this capital to advance to Russia, for the common good both of Europe and of Russia, that the European debt situation is as insoluble a problem as it is. Had Europe this capital available in sums sufficient to begin the economic reconstruction of Russia, I venture to say that that event would wait upon no Genoa. The capital required would be in Russia now, as a private venture.

But the truth of the matter is that for any comprehensive handling of the entire problem of Russian reconstruction—and it is a problem that must be handled whole or not at all, to be efficiently dealt with—the only country in the world disposing of sufficient capital today is the United States. And so, while the recovery of Europe waits upon Russia, the key with which the wealth of Russia may be unlocked is here in this country.

AMERICAN INTRANSIGENCE

That is, after all, I take it, the meaning of Genoa.² It is not that the solution of the problem of "the economic reconstruction of Central and Eastern Europe" (as the invitation to Genoa phrased the purpose of the Conference) may be found at Genoa; but that there may be spread before the American people and the American government the terms upon which Russia will participate in the economic reconstruction of Europe in such a way, Mr. Lloyd George hopes, as to induce America to finance the enterprise of recreating world-business and of ending the menace of war by supplanting conquest by industry, through getting Russia back on her economic feet.

I am conscious that there are objections to this course in the minds of many people in this country who have become confused by the widespread, malignant, propaganda against everything connected with the Soviet government of Russia, which has been made current in the United States through the efforts of Mr. Boris Bakhmetieff and his colleagues and friends in and out of our State Department. I had thought that recent revelations of facts about Russia had about killed this mischievous propaganda, but Mr. Chester M. Wright has disabused my

² This article was written before the close of the Genoa Conference.—Clyde L. King, Editor.

mind of this hope. Mr. Wright, representing Mr. Gompers, and claiming to represent American Labor, repeats³ every single one of the exploded propaganda tales about Russia that have been current during the past four years and that have served the purpose of shoring up American opposition to relations with Russia. No; I am unjust. He did omit one—the fairy tale about the nationalization of women he spared us; perhaps he overlooked it. What I want to interject here is this: Neither Mr. Gompers nor Mr. Wright, in their bitter hostility to Russia represent American Labor. I have just come from Chicago, where I addressed the Amalgamated Clothing Workers of America in convention, as I have spoken to similar gatherings of labor about weekly since my return from Russia. The Amalgamated Clothing Workers voted to raise and invest one million dollars of the workers' money in leasing factories in Russia under the new economic policy of the Russian government, to show the Russian workers how to manufacture clothing in the American way, and at the same time to help the Russian workers to meet the crying need for clothing that now exists in Russia. I respectfully submit that this is a constructive plan, in contradistinction to the purely destructive views of Mr. Gompers and Mr. Wright, whose views depend, not upon conditions in Russia at all, but upon the internal policies of the American Federation of Labor. And it is my opinion that the great mass of labor in this country is sufficiently forward-looking to follow the constructive lead of Sidney Hillman and Joseph Schlossberg, of the Amalgamated Clothing Workers, not the destructive lead of Messrs. Gompers and Wright and William English

Walling in their attitude towards Russia.

It is not material, after all, that certain interested influences in the United States still continue to spread the hysterical propaganda of four years ago about Russia. If what I tell you does not coincide with these tales, I can only explain it by the fact that my ideas of conditions in Russia are based on personal study of those conditions in Russia, and therefore can scarcely be expected to keep pace with the flights of fancy of less restricted writers and speakers on the subject.

But for this reason, if for no other, it behooves us to examine the situation here in this country to ascertain, if possible, what stands in the way of a solution of the whole European debt problem through the advance of funds by the United States, either directly or indirectly, for the economic rehabilitation of Russia, and so of Europe as a whole. On broad general lines this examination leads the inquirer to two men: Mr. Hughes and Mr. Hoover. They are the backbone of the opposition, not simply to political recognition of the Russian government, but to any participation whatever by the United States in the economic regeneration of that country.

Of the attitude of these two gentlemen I know only what they themselves have said. Mr. Hughes says that the United States cannot recognize Russia so long as the right of private property, the sanctity of contract and the right to what he is pleased to call "free labor" are not recognized by the Russian government in a manner satisfactory to our government. Mr. Hoover follows generally this same line but, as an engineer who had endeavored to exploit properties in Russia himself, lays particular stress on recognition by Russia of the right

³ See page 76.

of private contract, specifically labor contracts.

THE OBSTACLE OF PROPERTY RIGHTS

Now, of course, this is a bit like requiring the United States to re-establish negro slavery and abolish the writ of habeas corpus. The Russians have been at some pains to get rid of the worst phases of landlordism and the exploitation of the peasants by a sort of peonage, which kept them continually impoverished and permanently unfit for any sort of citizenship. They have been through four and a half years of hell to liquidate the treatment of millions of human beings as if they were chattels. To assume that they are now ready voluntarily to return to those evils is grotesque. Of course they will not, and any agreement their representatives may sign to that effect will be scarcely more binding on 140,000,000 Russian people, at last enfranchised, than a hope.

But why this devotion to private property rights on the part of our government? Private property is by no means one of the inalienable rights of mankind which our Constitution established, and in our legislation has been, still is, and probably always will be, subject to all sorts of limitations imposed by that authority from which alone private property rights spring, namely, the government. If it pleased the government of the United States to abolish private property rights in human slaves, it did so, and those who claimed reimbursement, claimed in vain. If it pleased us to render valueless property rights in breweries and distilleries, we did so, and foreign shareholders in these enterprises whistled for their investments—or became bootleggers. It is a function of government, everywhere, to define private property. When you say, "We will not recognize the Russian

government because it does not recognize private property" you say in effect, "We will not recognize the Russian government because it is a government, and exercises the function of a government to define property rights as it chooses."

CONTRACT RIGHTS

The same is true of contract rights. To maintain anything else is logically to say to Russia, "The only terms upon which we will recognize your government are that you abrogate your functions as a government and set us up as a sort of super-government over you, empowered to define the relations between our nationals and yours." It is to say to Russia what we said to Turkey and to China, namely, "You are not a government, so far as our nationals are concerned."

If that is the idea, well and good. But let us say so, frankly. Let us not pretend to a virtue which is based upon a legal fallacy. We want Russia as a field of exploitation, not as a free member of the family of nations. That is what Mr. Hughes means. That is what Mr. Hoover means. Is it what the American people mean? And do they mean it, with all its implications of war at no distant date—and the basest of wars—a war for money?

For I have tried to make it clear that this American position of intransigence towards the Russian state as today constituted is not a matter which concerns us alone. It involves Europe. It concerns the whole world. For the question of future peace in the world—in so far as the peace may be disturbed by such matters as "reparations" and foreign debt adjustments (and I take it those are the principal menaces to peace today)—depends primarily upon the ability of all Europe, including Russia, to turn

cannon into plowshares, and to get to work again. If Mr. Hughes and Mr. Hoover really represent American opinion in respect to Russia, then Mr. Lloyd George is wasting his time at Genoa, and the drama being staged there for our benefit is being played in vain.

POLITICAL NATURE OF GENOA CONFERENCE

For, in very crude terms, the Conference at Genoa has already ceased to be an effort to effect "the economic reconstruction of Central and Eastern Europe" and become an effort to compel the Russian delegates to renounce the Russian revolution. And, in this effort, those who are leading the political rather than the economic struggle have been armed by two things: (1) By Mr. Hughes' reiteration on May 1 of his original position, that the Russians must renounce such gains of the revolution as may be in conflict with our own individualistic concept of the functions of a sovereign state, and (2) by Mr. Hoover's refusal to make his—or rather our—relief of Russia more than a stupendous dole for the starving—his unwillingness to accept either the Nansen or any other plan of relieving the destitute Russian people by enabling them to secure in the United States the tools of a reconstruction that would render a continuation or a repetition of present famine conditions improbable. Mr. Hoover, for example, as head of the American Relief Administration, has been most outspoken in his complaints of the alleged breakdown of the Russian transportation system and of the handicaps which the ancient rolling stock of the Russian railways has placed in the way of his relief program. But Mr. Hoover, as Secretary of Commerce, has not thrown the weight of his influence to enable the Russian

government to secure a credit for the purchase in the United States of locomotives and railway equipment to remedy this situation. As with Mr. Hughes, his position has been one of complacent observation of the inexorable process of destruction, driving Russia farther and farther into the mire of economic ruin, and thus postponing the economic regeneration of Europe through the opening of Russia to world-trade again.

It is with full knowledge of this attitude on the part of the two leading political figures in the American Cabinet that those delegations at Genoa which have sought most assiduously to turn the Conference into a political rather than an economic convention, have adopted a corresponding intransigence towards Russia. The effort has been disastrous to the purpose of the Genoa Conference. To assume that the Russian delegates are empowered to, or would if they were so empowered, repudiate the revolution and accept nullification of what they regard as the greatest forward step humanity has taken since the French revolution, is to be singularly blind to what has taken place in Russia during the past four years. It is there, after all, that my testimony may be really useful to you—a testimony based upon personal observation.

THE FACT OF REVOLUTION

Since the days when Ambassador Francis' querulous dispatches complained of the lack of *savoir faire* of the new Russian government in the winter of 1917–1918, there has been an extraordinary disposition on the part of people outside of Russia to pass over the fact that a revolution has taken place in that country. It is perhaps not altogether the fault of Mr. Hughes that he does not see the Russian revolution in its larger social aspects. We

have come to be somewhat too familiar with revolution as a mere method of changing administration in Latin American countries to take revolution seriously. It would be salutary to return to the French Revolution for a parallel, and to recall that confiscation of private property was one of the features of that upheaval; or to the Mexican revolution, with its confiscation of church property, and thus to accustom ourselves to the idea that, in the process of a revolution, the established order does sometimes get upset—and stay upset.

I seem to recall that, at a later date, the French government, as a matter of expediency not of principle, compromised the claims of foreign nationals for confiscated property, for a small part of the amount claimed; but I remember very well that when I was in the American Embassy in Russia at the time of the Revolution of 1905, claims of Americans for damages suffered to their property during that revolution were rejected by the imperial government of Russia, and we accepted that rejection. As a matter of expediency, not of principle, the present Russian government is, and has been all along, ready to recognize the legitimate obligations of the former Russian government—which is more than can be said of those European powers whose hired armies invaded southern Russia and laid it waste in 1919. Could you but see, as I have seen, the wilful destruction, the immense havoc wrought by the armies of Denikin and Wrangel, it would seem to you, I am sure, as it does to me, that those who speak of reimbursement for losses sustained in Russia, while ignoring the losses sustained by the Russians, must either have their tongues in their cheeks—or be indifferent to the verdict of history on a spoliation so shameless. If we in this country imagine for a

moment that the Russians do not resent the damage caused by the foreign-financed “White” armies, let me disabuse your minds of the misconception. If you think that the humblest Russian peasant does not know that there has been a revolution in Russia—and is not glad of it—I assure you that you are in error.

THE TRUTH ABOUT RUSSIA

But this does not in the least mean that any investment by foreign capital in Russia is a dangerous business. Indeed, it is precisely the contrary. So far as future investments in Russia are concerned, every step which may reasonably be required has already been taken. By the decree of November 23, 1920 (Laws of 1920, Article 421) Russia has “guaranteed the property of those holding concessions in Russia against any sort of nationalization requisition or confiscation, and has given them various privileges which will allow them to carry on their business without interference.” A special decree of the Central Executive Committee (Laws of 1921, Article 313) “guarantees the fulfillment of lease contracts and prescribes that they can only be set aside by the courts”—as in this or any other country.

The “right of free labor” which so exercises Mr. Hughes and Mr. Chester M. Wright⁴ has been guaranteed by a whole series of laws in Russia, from Article 188 of the Laws of 1921, which frees labor from the requirement to work for the state, to Article 323 of the same year, proclaiming the freedom of all workers to choose their own employment and to leave such employment without special authorization—a freedom rather larger than our courts sometimes allow labor in this country.

As for contracts, I quote: “In general, all contracts, including those

⁴See page 74.

to which the State is a party, are binding and enforceable by law, and any provision included in the contract excluding the parties from resorting to the courts, renders it invalid." (*Russian Information and Review*, April 1, 1922, page 311).

These terms of ordinary guaranty of rights of foreigners within Russia have been found so satisfactory to fourteen countries that they now have full diplomatic missions in Russia; five have trade delegations with quasi-diplomatic functions; two have special missions—this as of December 1, 1921. Why are they not satisfactory to us?

AMERICA'S RESPONSIBILITY

I have tried to suggest that not only does prosperity in Europe depend upon Russia, but peace also. I believe that many of the financial claims of European nations upon Russia are just, and I know that Russia is ready to liquidate them. I believe, also, that many claims of Russia against the Western powers for damages caused by invasions of Russia, provoked and financed by those powers, are as just as was ever our own "Alabama" claim against Great Britain. All of these matters could and would be adjusted readily enough, were anyone certain

that their adjustment would be followed by a new era of production and prosperity in all of Europe, including Russia. But that depends upon us, in this country, who hold the key to the credit essential to any resumption of industry in Russia, and so in Europe, generally. None, it is true, can force us to recognize Russia, or to lend Russia the tools of economic regeneration. But if we do not, if we stand aside, all Europe is more than likely to rush to a ruin in which we cannot be unconcerned.

I can best close, I think, by quoting Dr. R. Estcourt, in *The Annalist* of May 1, 1922—a journal published by the *New York Times*, and scarcely to be termed radical. He says:

Compromise is essential all around. What we have to recognize is that there is a *de facto* and a *de jure* government in Russia that has stood up against all comers for nearly five years, while the law of nations requires such conditions to exist for only two years in order to command diplomatic relations. It is therefore a mere matter of form to certify that the existing government is as much a recognizable government as any that that country has previously had, and is slightly less despotic. Russians may have ideas as to internal matters that are different from those we cherish, but is there any country in the world governed precisely like another?

What Can Be Done for Russia?

By BARON S. A. KORFF

Former Vice-Governor of Finland, Professor of Political Science, School of Foreign Service, Georgetown University, Washington, D. C.

THERE are many intelligent and educated Americans who fret at the imposed or seeming inactivity in the Russian question. They feel that here is a country, for which they have much sympathy, that is in need and that is

suffering, but they do not see very well how they can help. And I am sure that for a Russian the situation is even worse, for it is a terrible feeling to know that one's own countrymen are suffering and that one is seemingly unable to